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SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: July 26, 2007

Elsner vs. Flttl

11. Former BAWAG boss Helmut Elsner and investment banker Wolfgang Flttl are increasingly at loggerheads at the current BAWAG trial. Helmut Elsner denies that the bank's Caribbean deals were anything but credit business. That the deals involved high-risk speculation was something Flttl had never told him, Elsner maintains. He goes on to specify that the BAWAG had Flttl's private fortune as security. Flttl contradicts Elsner about the risks involved in the Caribbean deals, saying that he never tried to conceal anything. [Der Standard, p. 1 and 19; Die Presse, p. 9; other Austrian media]

Gusenbauer Hosts Balkan Meeting

12. Austria's Federal Chancellor Gusenbauer gave an interview to mass circulation daily "Kurier" in which he spoke, among other things, about the Balkan conference he is about to host in Salzburg this weekend during which experts from southeastern Europe will participate. Asked about the future of the Kosovo talks, Gusenbauer maintains that negotiations can only take place in the UN Security Council on the basis of the report compiled by special envoys Martti Ahtisaari and Albert Rohan, whose proposals he called a "fair approach to bringing about a solution in the issue." Asked by "Kurier" about the plan of the EU foreign ministers to continue the Kosovo talks with participation of a troika consisting of EU, Russia and the US, the Chancellor said he would welcome anything that was designed to get the negotiation process in the Security Council back on track, but stressed that the decision was made by the Security Council. Any solution for the Kosovo problem could only be successful if it is part of a comprehensive process where none of the negotiation partners feel humiliated. A solution has to take both sides into consideration. The Austrian Chancellor expressly rejected a link between the Kosovo solution and a European perspective for Serbia.

Radical Muslims Also in Austria

13. The latest report of the Federal Office for the Protection of the Constitution, which was released on Wednesday, has established that there are tendencies towards radicalization among Muslims in Austria, especially among second generation immigrants and converted Austrians. Recruiting takes place primarily in the mosques where radical messages are preached, among others the armed Jihad. According to weekly "News," the latest report of the Federal Office for the Protection of the Constitution concludes that "the extremism

and terrorism that is motivated by Islamism, remains in the short and medium run a primary source of danger for security within Europe and within Austria." The weekly quotes Minister of the Interior, Günther Platter, as saying that "Austria is not a primary terror target, but one can one look at Austria as an isolated place." The Minister assured that the "Islamist cells are being monitored closely," and went on to stress the importance of prevention: "[W]e rely on prevention and the dialogue of cultures and religions in Austria. That is an important preventive measure against radicalization." Independent daily "Salzburger Nachrichten" quotes Gert-Ren Polli, the head of the Federal Office, as confirming that "individual hate preachers are closely monitored," while pointing out that "the threat potential are those who are unknown, those who are active in the backyards." There is also danger that "the internet is turning into a virtual recruiting place for terrorists." However, both Platter and Polli are convinced that there is no danger for the state.

#### Terror Cells in Vienna Are a Threat to Bosnia

**¶4.** Mustafa Ceric, supreme Islamic authority in Bosnia-Herzegovina, has warned of terror cells with Islamic background that have manifested themselves in the West. According to Ceric, Vienna is also affected. Activists are allegedly trying to start activities in Bosnia from the Austrian capital.

Centrist daily "Die Presse" refers to the fact that many fighters from Islamist countries had infiltrated Bosnia during the war from 1992 to 1995, leading to a "clash of cultures" in the country. Mustafa Ceric and the Islamic community remained indifferent to the activities of the foreign Islamists, of whom there were about 500 - after all, Islamic countries had helped Bosnia during the war. It was not until the Islamists began to occupy the mosques of the Bosnians and spread terror in individual villages that the atmosphere began to change. Religious citizens were prevented from participating in the Friday prayer in the mosques. Already in 2005, Ceric pointed out that such activities did not originate with Saudis alone, but that there were more and more people in the West that acted the role of agitators.

#### Troika for Kosovo

**¶5.** At a meeting at the German Embassy in Vienna on Wednesday, it was decided that a troika consisting of EU, US and Russia will continue the Kosovo talks.

Independent daily "Der Standard" reports on the continuation of the Kosovo talks in Vienna, describing the atmosphere of the first meeting of high-ranking diplomats of the contact group as "surprisingly open and constructive." However, a time plan for the talks was not fixed - the EU states and the US opt for a duration of 120 days, whereas Russia prefers open-ended talks. The diplomats also conferred on the question of whether the plan set up by UN Special Envoy Martti Ahtisaari for a monitored independence of the province should be taken as the basis for further negotiations. US Special Envoy for the Kosovo issue, Frank Wisner said in an interview with the Kosovarian daily "Express" that the Ahtisaari plan was "not negotiable." Russian Foreign Minister Lawrow, however, made clear that the plan was not to play a role in future Kosovo talks. In the meantime, Viennese political scientist Vedran DQihic has told "Der Standard" that the Vienna meetings were "mock talks" designed to gain time for negotiations between Washington and Moscow on the issue. The goal was to pull Russia into the camp and get it to agree to a reduced version of the Ahtisaari plan.

#### G|1 on Confrontation Course

**¶6.** Turkish Foreign Minister Abdullah G|1, whose presidential ambitions failed two months ago due to resistance from secular and military forces, is considering another bid for the highest office. He has not made a final decision, but he indicated that his voters expect him to run. However, polls indicate that the success of the AK was owing to the voters' expectations that the party would guarantee economic prosperity and stability in the country and not the presidential elections or the intervention of the military forces. Der Standard, p. 3; other Austrian media]

#### Terror Support Eroding

**¶7.** A study conducted by the US institute Pew has established that

there is a growing trend in the Muslim world toward rejection of suicide attacks and other forms of violence against civilian populations. The institute found that during the past five years, supporters of such atrocious deeds have decreased by half. In the Palestinian regions, however, 70 percent of the population still believes that terror acts are often or at least sometimes justified.

Independent daily "Salzburger Nachrichten" gives details of the poll: Whereas in 2002, 74 percent of the interviewees defended the suicide attacks as necessary for the defense of Islam, only 34 percent did so in 2007. In Jordan, 43 percent of the interviewees supported violent actions, in the meantime the rate has gone down to 23 percent. In Pakistan, the approval rate dropped from 33 percent to 9 percent; in Bangladesh from 44 percent to 20 percent and in Indonesia from 26 percent to 10 percent. Pew concluded from these results that there was an overall rejection of extremist actions in the Islamic world. At the same time, the US polling institute found that support for terror boss Osama bin Laden had eroded, whereas the ideas of Hamas and Hezbollah met with approval in most countries of the Islamic world. Pew also established that there were growing concerns in the Muslim world that the violent conflict between Sunnis and Shiites in Iraq could not be restricted to that country but would develop into a major problem for the Islamic world.

Kilner